

VZCZCXRO6052
PP RUEHDT RUEHPB
DE RUEHJA #1820/01 3061047
ZNR UUUUU ZZH
P 021047Z NOV 09
FM AMEMBASSY JAKARTA
TO RUEHKL/AMEMBASSY KUALA LUMPUR PRIORITY 2609
RUEHC/SECSTATE WASHDC PRIORITY 3706
INFO RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE
RHEHNSC/NSC WASHDC
RHMFIUU/HQ USPACOM
RUEKJCS/SECDEF WASHDC
RHEFDIA/DIA WASHINGTON DC

UNCLAS SECTION 01 OF 03 JAKARTA 001820

SENSITIVE
SIPDIS

KUALA LUMPUR PLEASE PASS TO EINHORN DELEGATION
DEPARTMENT FOR EAP, ISN, EAP/MTS, EAP/RSP, ISN/RA
NSC FOR D WALTON

E.O. 12958: N/A

TAGS: [PREL](#) [PTER](#) [PGOV](#) [MNUC](#) [ECON](#) [AORC](#) [IAEA](#) [ID](#)
SUBJECT: SCENSCETTER FOR VISIT OF SPECIAL ADVISOR EINHORN
TO INDONESIA

SENSITIVE BUT UNCLASSIFIED -- PLEASE HANDLE ACCORDINGLY

¶1. (SBU) SUMMARY: Special Advisor Einhorn, Embassy Jakarta warmly welcomes your visit. Indonesia and the United States are key partners in promoting democracy and security in Southeast Asia and have growing cooperation on nonproliferation. The GOI is favorably disposed toward what it views as a balanced American policy stressing both disarmament and nonproliferation. Indonesia supports international efforts to prevent Iran and North Korea from acquiring nuclear weapons, albeit while supporting those countries' right to peaceful use of nuclear power. Ten years of political and economic reform have made Indonesia democratic, stable, and increasingly confident about its leadership role in Southeast Asia. Indonesia has held successful, free and fair elections; has weathered the global financial crisis; and is tackling internal security threats. After the terrorist attacks of July 17, the Indonesian government and people are resolute in overcoming the terrorist threat. Our Comprehensive Partnership with Indonesia will bolster Indonesia's reform efforts and advance U.S. interests in the region. END SUMMARY.

MOVING TOWARD MORE NONPROLIFERATION COOPERATION

¶2. (SBU) Indonesia is positively disposed toward the U.S. nonproliferation agenda, not least because of what the GOI views as the Administration's balanced perspective on nonproliferation and disarmament issues. That balanced position is key to ensuring Indonesia's active and constructive role on a host of related issues. The GOI has been vocal about its intention to move forward with ratification of the CTBT (Comprehensive Test Ban Treaty) following U.S. ratification. Indonesia takes its role as a leader of the Non-Aligned Movement and ASEAN seriously and views nonproliferation issues through that prism.

IRAN

¶3. (SBU) Indonesia maintains friendly relations with Iran although ties between the two countries are not particularly deep. Bilateral trade is minimal and several planned joint projects--including an oil refinery and fertilizer plant--have yet to materialize. The Iranian Embassy in Jakarta has attempted to reach out to Indonesian Muslim organizations. However, the Iranians do not exert much influence as a result of those efforts.

¶4. (SBU) Indonesian officials have underscored their opposition to any Iranian effort to develop nuclear weapons.

However, they are equally adamant about Iran's right under the Nuclear Nonproliferation Treaty (NPT) to the peaceful use of nuclear energy, subject to internationally accepted safeguards. Indonesian leaders have consistently voiced support for P5+1 efforts to find a peaceful resolution of the issues surrounding Iran's nuclear program. President Yudhoyono has urged Iranian leaders to cooperate with the IAEA and to meet other international nonproliferation obligations.

DPRK

15. (SBU) While Indonesian officials are proud of the country's long history of good relations with both North and South Korea, Pyongyang has very little influence here. In contrast, Seoul is an increasingly important partner for Indonesia, particularly on the trade and investment front. The Indonesians have long supported the Six Party Talks and regularly call on the DPRK to adhere to its obligations under the relevant UNSC resolutions and other international commitments regarding its nuclear program. As with Iran, Indonesia supports North Korea's right to a peaceful nuclear program as a matter of principle. However, Pyongyang's nuclear tests have caused Indonesian leaders to be skeptical of North Korean claims that their nuclear program is for peaceful purposes. Some Indonesian officials have suggested that Indonesia could help facilitate Six Party Talks and noted that the ASEAN Regional Forum is the only international group that includes all six participants.

THE BROADER PICTURE: A COMPREHENSIVE PARTNERSHIP

JAKARTA 00001820 002 OF 003

16. (SBU) President Yudhoyono proposed that the U.S. and Indonesia launch a Comprehensive Partnership in his November 2008 speech in Washington. Secretary Clinton's visit in February 2009 began a dialogue with Indonesians about the key elements of that partnership. The absence of a November POTUS visit to Jakarta, which was anticipated by Indonesians both inside and outside government, has slowed the pace of progress on the Partnership but not GOI enthusiasm.

17. (SBU) Even without a presidential visit this year, key elements of the Comprehensive Partnership are moving forward. These include the return of the Peace Corps to Indonesia, a science and technology agreement, cooperation on climate change, an OPIC investment incentive agreement, and, possibly, Indonesian training of Afghan police. Under a Comprehensive Partnership, we will strengthen Indonesia's democratic institutions and capacity to promote democracy beyond its borders. The partnership will also allow us to expand our already robust regional security cooperation and deepen our cooperation with the Indonesian military to enhance its capability to provide disaster relief and participate in international peacekeeping operations. We will promote the people-to-people ties that are critical to the success of our partnership, including expanding education cooperation. In addition to our discussions with the Indonesians on their commitments to reduce emissions from deforestation, our cooperation is deepening on food security focusing on fisheries and on combating emerging and tropical disease whose spread will be exacerbated by climate change in this region.

INDONESIA AS A REGIONAL ANCHOR

18. (SBU) Beyond the Comprehensive Partnership Indonesia is the natural leader of Southeast Asia. The success of Indonesia's democratization and reform process and its inclusion in the G-20 have given the country new confidence. This confidence can help the United States work better with Indonesia to achieve our aims in Asia and elsewhere. Indonesia sits at the crossroads of transit between East Asia, South Asia, and the Middle East and will be critical to ensuring balanced and stable relations in the region. As

home of the ASEAN Secretariat, Jakarta seeks a greater leadership role in ASEAN, and it is succeeding. GOI officials spearheaded efforts to enshrine democracy and human rights in the ASEAN Charter. Indonesia has played an important but largely behind-the-scenes role in encouraging democracy and human rights in Burma. President Yudhoyono's Bali Democracy Forum, attended by Burma, is meant to lure the Burmese regime into learning about the benefits of democracy.

A VIBRANT DEMOCRACY

¶9. (SBU) Indonesian April 9 legislative and July 8 presidential elections were fair, free, and peaceful. The results of the legislative and presidential elections affirmed incumbent President Yudhoyono's reformist policies. In April, President Yudhoyono's Partai Demokrat (PD) won a plurality in legislative elections, with 20.85 percent of the popular vote (and over a quarter of the 560 parliamentary seats). This was followed by Yudhoyono's reelection victory in July, in which he captured 60.8 percent of the vote and 28 of the nation's 33 provinces. The cabinet for the second Yudhoyono administration, which came into office in late October, contains a number of technocrats and a larger number of political leaders. This reflects Yudhoyono's belief that despite his landslide electoral victory he must build political consensus to push through his policies in the Parliament.

A VIBRANT ECONOMY

¶10. (SBU) With estimated GDP growth of over four percent for 2009, Indonesia is the third-fastest growing economy in the G-20. Indonesians are proud of their transition over little more than a decade from an economic basket case during the Asian financial crisis to the only Southeast Asian member of the G-20, involved in coordinating global responses to the current economic crisis. Although some of Indonesia's

JAKARTA 00001820 003 OF 003

responses to the economic crisis have been protectionist, new opportunities for U.S. businesses are emerging. Boeing has a huge order book with Indonesian airlines. General Electric and Electro-Motive are competing for a several hundred million dollar locomotive deal. The Export-Import Bank is considering infrastructure and clean energy facilities to finance U.S. business deals and looking for ways to decrease the costs for lending in Indonesia.

OVERCOMING SECURITY THREATS

¶11. (SBU) The Government of Indonesia's (GOI) response to the July 17 terrorist attacks was swift and effective. While the GOI is still pursuing a few remaining associates of militant ringleader Noordin Top, the killing of eight July 17 operatives, including Top, and the arrest of 11 others appears to have severely crippled Top's network. The GOI has heightened security nationwide and the INP continues to actively combat terrorism. Until the July 17 bombings, Indonesia experienced three-and-a-half years without a major terrorist incident, demonstrating how the GOI's counterterrorism efforts reduced the ability of militant groups in Indonesia to carry out attacks.

¶12. (SBU) U.S. assistance has been an important component of the GOI's success in locating and coordinating counterterrorism strikes in the wake of the post-July 17 bombings. The Embassy has worked to build the investigative support for and forensic capabilities of the Indonesian National Police (INP) through numerous developmental programs administered by Department of Justice's International Criminal Investigative Training and Assistance Program. The Indonesian National Police, including elements of the USG-funded Special Detachment-88, have effectively disrupted the Jemaah Islamiyah (JI) terrorist network. The USG-funded Attorney General's Task Force on Terrorism and Transnational

Crime has successfully prosecuted 64 terrorists, including 43
JI members since 2006, and DOJ enhanced the prosecutorial
capacity of the task force.

HUME